

Sample Place, Inc.

PACE Program

31-Jan-00

Current Month

Actual	Budget	Variance
PMPM	PMPM	(UN)Favorable

This could also be % of Revenue, etc. See the attached Cost Analysis for a much greater (but cluttered) presentation

Capitated Member Months

Medicare

Medicaid

Total Capitated Months

CAPITATED REVENUE

Medicare

Medicaid

Client Pay Portion

TOTAL CAPITATED REVENUE**NON-MEDICAL SERVICES**

Transportation

Social Services

Clinic

etc....

Adult Day Health Center

TOTAL ADHC**IN-HOME SERVICES**

Home Health Care

Personal Care

In Home Nutrition/Mobile Meals

TOTAL INHOME SVC**MEDICAL CARE**

Therapies:

Audiology

Dentistry

Podiatry, &c....

Outpatient Specialists

Drugs

Medical Supplies

Durable Medical Equipment

Other...

TOTAL MEDICAL CARE**HOUSING & RESIDENTIAL**

Single Room Occupancy

Assisted Living

CBRF

etc....

Nursing Facilities

NET HOUSING

Incurred But Not Reported

TOTAL COSTS BEFORE A&G

Operating Margin

ADMIN & GENERAL

Administration - Site

Admin & General-Corp

Maintenance & Building Services

TOTAL ALLOCATED**TOTAL OPERATING COSTS****EXCESS<DEFICIT>**

Operating Margin

Year To Date

Actual	Budget	Variance
PMPM	PMPM	(UN)Favorable

This type report is another way of looking at the natural expense breakdown on the Trend Report. You should modify the department breakout to what best fits your needs.

You may end up with four basic reports: Department and Natural expense breakouts, each with a Trend and Current Month / YTD layout.

Dependent upon how the Capitation Rate is structured, you may have to bill & collect co-payments. If so, you may wish to report your net expense, rather than include the co-payments under your Client (Cost Share) Revenue, above. Don't forget to track these high cost, low volume statistics.

SAMPLE LAG REPORT**Fiscal Year 1**

E:\TAC\IBNR Examples.xls\ IBNR Lag Current Month

A Lag Report really looks like a backwards Accounts Receivable Aging - you want to know how long it takes to get all of your bills.

You will post the received claims to the month in which the services were provided, and not to the month received. You are able to track when they are received by when you reduce the individual months IBNR.

Regardless of whether you use the simplified Lag method for IBNR, or the PMPM method, Lag Reports provide you a feel for what your outstanding claims should be. You should produce one of these both for your own purposes and your auditors.

A variety of factors will impact the lag report. Although primarily a factor of how quickly (and consistently) you close each month and how quickly you are billed and post those bills, other factors apply. Holidays, processing method - especially a manual process with few staff, all affect the schedule.

	<u>TOTAL</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>
TOTAL PAID CLAIMS	\$ 1,000,000	\$ 100,000	\$ 75,000	<i>Et cetera ...</i>	
Posted Prior to Month End Close	430,000	45,000	32,000	"	"
1st month after close	350,000	34,000	25,000	"	"
2nd month after close	120,000	10,000	10,000	"	"
3rd month after close	60,000	7,000	5,000	"	"
4th month after close	30,000	3,000	2,000	"	"
5th month after close	10,000	1,000	1,000	"	"

Percentage of Completion**By Month**

Posted Prior to Month End Close	43%	45%	43%	"	"
1st month after close	35%	34%	33%	"	"
2nd month after close	12%	10%	13%	"	"
3rd month after close	6%	7%	7%	"	"
4th month after close	3%	3%	3%	"	"
5th month after close	1%	1%	1%	"	"

Cumulatively

Posted Prior to Month End Close	43%	45%	43%	"	"
1st month after close	78%	79%	76%	"	"
2nd month after close	90%	89%	89%	"	"
3rd month after close	96%	96%	96%	"	"
4th month after close	99%	99%	99%	"	"
5th month after close	100%	100%	100%	"	"

IBNR: Lag Method: Hindsight Analysis**Fiscal Year 1**

E:\TAC\IBNR Examples.xls) IBNR Lag Current Month

Using our example

	Percentage of Completion			
	Month	Cumulative		
We expect our claims to be received	100%			
Prior to Month End Close	43%	43%		
1st month after close	35%	78%		
2nd month after close	12%	90%		
3rd month after close	6%	96%		
4th month after close	3%	99%		
5th month after close	1%	100%		

	January	February	March	Prior Months
OUR INITIAL ESTIMATED CLAIMS WERE	\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000

CLAIMS WERE RECEIVED AND POSTED BY:				
Prior to Month End Close	43,000	43,000	43,000	
1st month after close	35,000	37,000	33,000	
2nd month after close	12,000	14,000		
3rd month after close	6,000			
4th month after close				
5th month after close				

TOTAL POSTED CLAIMS	\$ 96,000	\$ 94,000	\$ 76,000	\$ 266,000
<i>Actual Percentage Received</i>	96%	94%	76%	

ESTIMATED CLAIMS RECEIVED	96%	90%	78%	
Initial Claims Estimate Times % Completion	\$ 96,000	\$ 90,000	\$ 78,000	\$ 264,000

ESTIMATE TO ACTUAL VARIANCE OVER (UNDER)	\$ -	\$ (4,000)	\$ 2,000	\$ (2,000)
---	------	------------	----------	------------

The Claims Estimate has been set at \$100,000 per month for illustrative purposes. In actuality, it would vary based upon number of clients and a variety of other factors.

The estimated completion percentage is 90% after 2 months from close.

What this means is that we were exactly correct for January, understated for February, and overstated for March. On a year-to-date basis, we are understated by \$2,000.

You could make the adjustment to the current month (April, from the prior page). Since the amount is not material, prior months financial statements are not restated and the bottom lines do not change.